

MAINE STATE LEGISLATURE

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STATE OF MAINE
115TH LEGISLATURE

SECOND REGULAR SESSION

BILL SUMMARIES
JOINT STANDING COMMITTEE
ON
BANKING AND INSURANCE

MAY 1992

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**ONE HUNDRED AND FIFTEENTH LEGISLATURE
SECOND REGULAR SESSION**

**JOINT STANDING COMMITTEE
BILL SUMMARIES**

MAY 1992

This document is a compilation of the bill summaries prepared by this office for the Joint Standing Committees and Joint Select Committees of the Maine Legislature. The volume is organized alphabetically by committee; within each committee, the summaries are arranged by LD number. A subject index is provided at the beginning of each committee's summaries.

All adopted amendments are listed, by paper number (e.g., H-584 or S-222), together with the sponsor for floor amendments. Final action on each bill is listed to the far right of the title. Various types of final action are abbreviated as follows:

PUBLIC XXX	Chapter # of enacted Public Law
P&S XXX	Chapter # of enacted Private & Special Law
RESOLVE XXX	Chapter # of enacted Resolve
CON RES XXX	Chapter # of Constitutional Resolution passed by both Houses
EMERGENCY	Enacted law takes effect sooner than 90 days
CARRIED OVER	Bill carried over to Special Session
ONTP	Ought Not to Pass report accepted
LVWD	Leave to Withdraw report accepted
INDEF PP	Bill Indefinitely Postponed
FAILED EMERGENCY ENACTMENT	Emergency bill failed to get 2/3 vote
DIED BETWEEN BODIES	House and Senate disagree; bill died
CONF CMTE UNABLE TO AGREE	Committee of Conference formed but unable to agree
VETO SUSTAINED	Legislature filed to override Governor's Veto
UNSIGNED	Not signed by Governor within 10 days
DIED ON ADJOURNMENT	Action incomplete when session ended; bill died

These summaries were prepared by the analyst or analysts assigned to the committee. But, this document was produced by the efforts of all the office staff, including secretaries: Charlene Raymond and Valarie Parlin, especially Laurette Knox who coordinated preparation of the overall document.

If you have any suggestions or comments on these summaries, please let us know.

LD 2034 An Act to Ensure Continuity of Health Insurance Coverage

ONTP

SPONSOR(S)
MITCHELL E
THERIAULT
RAND

COMMITTEE REPORT
ONTP

AMENDMENTS ADOPTED

SUMMARY

This bill encourages fairer competition in the group health market by requiring that insurers or nonprofit medical service organizations providing reinsurance, excess insurance coverage or administrative services to an employer's health plan provide that the plan waive preexisting conditions under the same circumstances as required of a group health insurance policy.

LD 2053 An Act to Achieve Parity between the Authority of Loan Officers of State-chartered Credit Unions and the Authority of Loan Officers of Federally Chartered Credit Unions

PUBLIC 649
EMERGENCY

SPONSOR(S)
MAYO
JOSEPH

COMMITTEE REPORT
OTP-AM

AMENDMENTS ADOPTED
H-896

SUMMARY

This bill equalizes the authority granted to loan officers of state-chartered credit unions and federally chartered credit unions. Current law requires a loan officer of a state-chartered credit union to refer any loan application the loan officer would disapprove to the board of directors or the full credit committee. Loan officers of federally chartered credit unions are granted the authority to disapprove loans without referring the applications to the board or committee. This bill allows credit union loan officers to approve or disapprove loan applications.

LD 2061 An Act to Improve and Expand the Operation of the Risk Management Division

VETO SUSTAINED

SPONSOR(S)
NUTTING
MITCHELL E
NORTON
LUTHER

COMMITTEE REPORT
OTP-AM MAJ
ONTP MIN

AMENDMENTS ADOPTED
H-1143 MAJ REP

SUMMARY

This bill allows the Risk Management Division to provide insurance advice and services to the elementary and secondary schools of the State. It requires the purchase of reinsurance for liabilities over \$300,000 per occurrence, payment to be made by the insured entity. The bill further requires the Risk Management Division to contract for annual actuarial services and to adopt rules to ensure that the insurance fund is adequately funded and the assets of the fund are protected.

Committee Amendment "A", H-1143, adds the provision of insurance advice and services for group homes for children and persons with mental retardation and specialized children's homes to the insurance responsibilities of the Risk Management Division. This amendment divides the self-insurance fund administered by the Risk Management Division into 2 funds. One fund would be for state property and one, designated in this amendment as the "state-administered fund" would be for nonstate entities. Recovery against the state-administered fund is limited by contract provision and is limited to the assets of the fund as a maximum. The state-administered fund must be actuarially sound and may purchase excess

insurance. The assets may be used only for insurance purposes. Provision of insurance through the state-administered fund does not expand tort liability beyond the limits of the Maine Tort Claims Act, Maine Revised Statutes, Title 14, chapter 741.

The amendment makes several technical changes to the risk management laws to separate provisions that would apply to the self-insurance fund and those that would apply to the state-administered fund. In performing the functions of both funds, the Commissioner of Financial and Administrative Services and the Director of the Risk Management Division are not subject to insurance regulations under Title 24-A. This amendment also adds a fiscal note.

**LD 2085 An Act to Amend the Laws Governing Placement of Insurance in
the Surplus Lines Market**

**PUBLIC 674
EMERGENCY**

SPONSOR(S)	COMMITTEE REPORT	AMENDMENTS ADOPTED
MANNING MITCHELL E JOSEPH KANY	OTP-AM	H-922 S-560 KANY

SUMMARY

Current law requires brokers of surplus lines insurance to file monthly reports with the Bureau of Insurance and to remit a surplus lines tax once a year. This bill would require the tax to be remitted with the monthly reports. This bill also changes the date that the report must be filed to the 15th day of each month. The bill also repeals the section of law that requires a broker to file an annual report. The information requested on the annual report and the tax remitted with the report will be done on a monthly basis so the annual report is no longer necessary.

Committee Amendment "A", H-992, changes the payment of the tax to quarterly payments, restores the annual report that is repealed in the bill and moves to a prior section the provision regarding risks or exposures only partially in the State. This amendment also adds a fiscal note.

Senate Amendment "A", S-560, changes the date for the annual report from January to February, making the date consistent with the filing date for quarterly reports.

**LD 2088 An Act to Clarify the Rights of Persons to Recover Insurance
Proceeds When They Are Injured by an Underinsured Motorist**

ONTP

SPONSOR(S)	COMMITTEE REPORT	AMENDMENTS ADOPTED
STEVENS P	ONTP	

SUMMARY

This bill alters the definition of the term "underinsured motor vehicle" to provide that the comparison on uninsured and underinsured insurance is between the amount of the negligent driver's liability insurance proceeds that an injured person actually receives and the limits of that injured person's uninsured or underinsured coverage, rather than between the negligent driver's liability insurance policy limits and the injured person's uninsured or underinsured policy limits.